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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/667,449	09/23/2003	Lina Strand Backman	1018798-000162	9444
21839 7590 01/28/2011 BUCHANAN, INGERSOLL & ROONEY PC POST OFFICE BOX 1404 ALEXANDRIA, VA 22313-1404			EXAMINER DANNEMAN, PAUL	
			ART UNIT 3627	PAPER NUMBER
			NOTIFICATION DATE 01/28/2011	DELIVERY MODE ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte LINA STRAND BACKMAN

Appeal 2010-000610
Application 10/667,449
Technology Center 3600

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL¹

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE

Lina Strand Backman (Appellant) seeks our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 1-20. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE and enter NEW GROUND OF REJECTION, pursuant to our authority under 37 C.F.R § 41.50(b).²

THE INVENTION

This invention is a method of informing a potential customer of the merits of a new product by morphing a visual presenting of a known product into the new product. Specification 2:24-3:9.

Claims 1 and 17, reproduced below, are illustrative of the subject matter on appeal.

1. A process of informing potential consumers of a new product, including in no particular order:
presenting to a potential consumer a visual presentation of a first, known product having at least one function and at least one characteristic capable of visualization; presenting to said potential consumer visual presentation of a second, known product having at least one known function similar to said at least one function of said first known product and at least one characteristic capable of visualization; and presenting to said

² Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed Feb. 24, 2009) and Reply Brief ("Reply Br.," filed Jul. 13, 2009), and the Examiner's Answer ("Answer," mailed May 13, 2009).

potential consumer one or more intermediate visual presentations of at least one of the first and second products by changing the appearance of said at least one characteristic of said first product to more closely resemble said at least one characteristic of said second product, one of said intermediate visual presentations being an visual presentation of said new product.

17. An advertisement for a new product, comprising: a visual presentation of a first, known product having at least one function and at least one characteristic capable of visualization; a visual presentation of a second, known product having at least one known function substantially similar to said at least one function of said first known product and at least one characteristic capable of visualization; a plurality of intermediate visual presentations of products changing the appearance of said at least one characteristic of said first product to more closely resemble said at least one characteristic of said second product, one of said intermediate visual presentations being an visual presentation of said new product; and identification of a source of said new product.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Zawilinski	US 5,676,138	Oct. 14, 1997
Jain	US 2003/0195793 A1	Oct. 16, 2003

The following rejections are before us for review:

1. Claim 1-13 and 17-20 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.
2. Claims 1-2, 5-7, 10-11, and 14-18 are rejected under 35 U.S.C. §103(a) as being unpatentable over Jain.
3. Claims 3-4, 8-9, 12-13, and 19-20 are rejected under 35 U.S.C. §103(a) as being unpatentable over Jain and Zawilinski.

ISSUES

The first issue is whether claims 1-13 and 17-20 are directed to non-statutory subject matter under 35 U.S.C. § 101.

The second issue is whether claims 1-2, 5-7, 10-11, and 14-18 are unpatentable under 35 U.S.C. §103(a) over Jain. Specifically, the issue is whether the Examiner has established a prima facie showing that one of ordinary skill in the art would have been led by Jain to the steps of presenting a plurality of visual presentations of a first known product, a second known product, and at least one intermediate visual presentation. The rejection of claims 3-4, 8-9, 12-13, and 19-20 under 35 U.S.C. §103(a) as being unpatentable over Jain and Zawilinski also turns on this issue.

FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. The Specification states: "Further, [‘]visual presentations[’] should be given a broad definition to include still images, moving images

and animations, models or prototypes or any other means to visually present characteristics or functions of a product.”

Specification 5:5-8. *See also* Specification 10:15-17.

2. The Specification states: “As explained elsewhere herein, the mechanism for presentation can be using images or prototypes or models, in person or remotely over a network or broadcast system.” Specification 5:17-19. *See also* Specification 10:25-28.
3. The Specification states: “The methods of the present invention may be embodied in a code, which can be read by a computer, on a computer readable recording medium. The computer readable recording medium includes all kinds of recording apparatuses 30 on which computer readable data are stored.” Specification 11:27-30.
4. Jain’s paragraphs [0173] and [0174] state:

The approach is personalized (3.5) for the selected set of target customers. Personalization of research approach refers to the modification of the research design, i.e., the experiment, the survey questionnaire or campaign parameters to suit an individual customer, such that maximum information value with minimal inputs is obtained from the customer. It uses customer's previous purchase history, previous responses to research designs, click-stream information and any other available data for the purpose. For example, if the customer has already purchased the product, the research approach would remove the question about whether he/she has made a purchase or not. Instead the research design might focus on feedback, comparison with other products etc., depending on the merchant's objective.

For example, Table 2 represents a scenario of missing information and the potential research approach. Missing information from Joe, Jane and George can be collected either from responses to advertisement(s) or by specifically asking a survey question. Since surveys can handle larger number of attributes with relative ease, a survey might be the preferred research approach for Jane, and advertisements may be preferred for Joe and George. Also, advertisements shown to Maria may have different values of the attribute of the product but excluding the attribute value for which her preference is known.

ANALYSIS

The rejection of claims 1-13 and 17-20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

The Appellant and the Examiner dispute whether claims 1-13 and 17-20 are drawn to non-statutory subject matter under 35 U.S.C. § 101. Answer 4-6 and Reply Br. 1-5. While we agree with the Examiner's conclusion that claims 1-13 and 17-20 are drawn to non-statutory subject matter, we disagree with the Examiner's rationale in reaching that conclusion and find that the Examiner has failed to establish a prima facie showing. Since our reasoning differs from that of the Examiner, we shall reverse the Examiner's rejection and enter a new ground of rejection, as detailed below.

The rejection of claims 1-2, 5-7, 10-11, and 14-18 under 35 U.S.C. §103(a) as being unpatentable over Jain.

The Appellant argues that Jain does not teach the steps recited in independent claims 1, 5, and 10 that require presenting a plurality of visual

presentations of a first known product, a second known product, and at least one intermediate visual presentation. App. Br. 8-11. The Examiner cites paragraphs [0173] and [0174] of Jain (Answer 6-7 and 12-13), which describe personalizing an advertisement and a survey to each selected particular customer (*see* FF 4). The Examiner then concludes it would have been obvious “to determine that the presentation of an advertisement of the similar product or the new product is equivalent to Applicant’s presentation of a visual.” Answer 6-7. However, the Examiner’s rejection does not specifically address the steps at issue, which require that at least three of the recited visual presentations are presented to the recited potential customer.

“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *KSR Int’l Co. v. Teleflex*, 550 U.S. 398, 418 (2007) (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

The Examiner has not provided some articulated reasoning with some rational underpinning to support a conclusion that the steps at issue as recited in the claims would be obvious, and has failed to establish a prima facie showing of obviousness. Accordingly, we find that the Appellant has overcome the rejection of claims 1, 5, and 10, and claims 2, 6, 7, 11, and 14-18, dependent thereon, under 35 U.S.C. §103(a) as being unpatentable over Jain, and we reverse this rejection.

The rejection of claims 3-4, 8-9, 12-13, and 19-20 under 35 U.S.C. §103(a) as being unpatentable over Jain and Zawilinski.

This rejection is directed to claims dependent on claims 1, 7, 11, and 17, whose rejection under 35 U.S.C. § 103(a) we have reversed above. For the same reasons, we will not sustain the rejections of claims 3-4, 8-9, 12-13, and 19-20 over the cited prior art. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) ("[D]ependent claims are nonobvious if the independent claims from which they depend are nonobvious."). We note that the Examiner did not apply *Zawilinski* to cure the deficiencies of *Jain* discussed above. Answer 8-9.

NEW GROUND OF REJECTION

Pursuant to C.F.R. 41.37(b), we enter a new ground of rejection on claim 1-20 under 35 U.S.C. § 101. We reject claims 1-20 as being drawn to non-statutory subject matter.

Method Claims 1-13

We find that claims 1-13 are drawn to non-statutory subject matter as they encompass an abstract idea. The law in the area of patent-eligible subject matter for process claims has recently been clarified by the Supreme Court in *Bilski v. Kappos*, 130 S. Ct. 3218, No. 08-964, 2010 WL 2555192 (U.S. June 28, 2010). The Court held that the term “process” as used in 35 U.S.C. § 101, does not categorically exclude business methods. *Bilski*, 130 S. Ct. at 3228-3229.

The Court is unaware of any argument that the “ordinary, contemporary, common meaning,” *Diehr, supra*, at 182, 101 S.Ct. 1048, of “method” excludes business methods. Nor is it clear what a

business method exception would sweep in and whether it would exclude technologies for conducting a business more efficiently. *Bilski*, 130 S. Ct. at 3222.

“At the same time, some business method patents raise special problems in terms of vagueness and suspect validity.” *Bilski*, 130 S. Ct. at 3229. (citing *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 397 (2006))(Kennedy, J., concurring).

In searching for a limiting principle, this Court's precedents on the unpatentability of abstract ideas provide useful tools. See *infra*, at 12-15. Indeed, if the Court of Appeals were to succeed in defining a narrower category or class of patent applications that claim to instruct how business should be conducted, and then rule that the category is unpatentable because, for instance, it represents an attempt to patent abstract ideas, this conclusion might well be in accord with controlling precedent. *Bilski*, 130 S. Ct. at 3229 (2010).

Claims 1-13 are drawn to business methods. Taking claim 1 as representative, the broadest reasonable construction of the claimed process in light of the Specification as it would be interpreted by one of ordinary skill in the art is that it provides a series of instructions that do no more than introduce a product by presenting visual presentations (i.e., information³) to

³ The “type” of information (e.g. “a first known product having at least one function and at least one characteristic capable of visualization” (Claim 1)) the claimed process uses limit the claimed subject matter only in terms of the content of the information. They are properly characterized as nonfunctional descriptive material. In the context of prior art rejections, a distinction over the prior art based on nonfunctional descriptive material is patentably inconsequential. See *in re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004)

a customer at least three times to a potential consumer. The claim encompasses any use of the concept of introducing a product by presenting information to a customer at least three times.

We now turn to the question of whether the claimed process subject matter is patent-eligible under 35 U.S.C. § 101. Various factors must be considered and weighed when analyzing claims as a whole before reaching a conclusion on patent subject matter eligibility.

The factors relevant in this case are the lack of an express or implied recitation in the claims to a particular machine or transformation and that the claims are a mere statement of a general concept. There are no express or implied requirements that the claims are tied to a particular machine and there are no express or implied transformations in claim 1.

As we have reasonably broadly construed it, the subject matter of claim 1 is a series of instructions for introducing a product by presenting at least three visual presentations. The vague instructions listed in the claim do no more than instruct how business should be conducted; that is to introduce

where, in the context of a prior art rejection, the court held that attaching instructions to an otherwise known product did not render the product patentable over the prior art. *See also In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability) and *Ex parte Mathias*, 84 USPQ2d 1276 (BPAI 2005) (non-precedential)(Federal Circuit Appeal NO. 2006-1103; WL 2433879, affirmed without written opinion Aug. 19, 2006)(patentable weight need not be given to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate). We see no reason why recitations of nonfunctional descriptive material should not be similarly treated as inconsequential in the process of determining whether claimed subject matter is statutory under 35 U.S.C. § 101.

a product by presenting at least three visual presentations. The claim covers any use of the concept of introducing a product by presenting at least three visual presentations. In the words of *Gottschalk v. Benson*, 409 U.S. 63, 72 (1972), the claimed process “would wholly pre-empt the [introduction of a product by presenting information to a customer at least three times] and in practical effect would be a patent on the [concept] itself.”

For the foregoing reasons, based upon consideration of all the relevant factors with respect to claims 1-13 as a whole, claims 1-13 are held to claim an abstract idea and are therefore rejected as ineligible subject matter under 35 U.S.C. § 101. As discussed above, since our rationale differs from that of the Examiner, we designate our decision that claims 1-13 are drawn to non-statutory subject matter as a new ground of rejection under 35 U.S.C. § 101.

Article Claims 14-16

We find that claims 14-16 are drawn to non-statutory subject matter as they: 1) encompass a signal and 2) recite an abstract idea.

First, we reject claims 14-16 claims 14-16 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter for encompassing a signal. Article claims 14-16 are drawn to a “computer readable medium having embodied thereon a computer program.” Giving these claims the broadest reasonable construction in light of the Specification, we find that these claims encompass forms of a computer program being disposed on transitory propagating signals *per se*.⁴ We note

⁴ See *Subject Matter Eligibility of Computer Readable Media*, 1351 Off.

that, while the Specification does discuss a computer readable *recording* medium (FF 3), the claim is not so limited. A signal does not fit within at least one of the four statutory subject matter categories under 35 U.S.C.

§ 101. *In re Nuijten*, 500 F.3d 1346, 1357 (Fed. Cir. 2007). Accordingly, claims 14-16 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter for encompassing a signal.

Second, it should be noted that, in challenging the rejection of the claims over the cited prior art under 35 U.S.C. § 103(a), the Appellant's brief does not separately address the article claims 14-16. *See* App. Br. 12-13. Given this, we presume that the Appellant takes the view that these claims should be treated the same as method claims 1-13. This would be a fair view because claim 14, for instance, includes the method claim 1; the only difference being that claim 14 is drawn to "[a] computer readable medium" having embodied thereon a computer program for carrying out the method of claim 1. The claim limitation to a computer readable medium having embodied thereon a computer program is nominal as imposes no meaningful limits on the scope of the claim apart from describing a field (i.e., computer field) in which to conduct the process. The limitation is indicative of the field of use within which to manifest the abstract idea of introducing a product by presenting at least three visual presentations. "*Flook* stands for the proposition that the prohibition against patenting abstract ideas 'cannot be circumvented by attempting to limit the use of the formula to a particular technological environment' or adding 'insignificant postsolution activity.'" *In re Bilski*, 130 S. Ct. 3218, 3230 (*quoting*

Diamond v. Diehr, 450 U.S. 175, 191-192 (1981).) Field-of-use limitations are insufficient to render otherwise patent-ineligible subject matter patent-eligible. *See Diehr*, 450 U.S. at 191 (1981).

Accordingly, claims 14-16 are also rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter for reciting abstract ideas.

Claims 17-20

We reject claims 17-20 under 35 U.S.C. § 101 because claims 17-20 do not fit within one of the four categories of statutory subject matter under 35 U.S.C. § 101. We take claim 17 as representative. Claim 17 recites “an advertisement” that comprises a “visual presentation of first, known product,” a “visual presentation of a second, known product,” and “a plurality of intermediate visual presentations of products.”

35 U.S.C. § 101 sets out four categories of subject matter: process, machine, manufacture, or composition of matter. Claim 17 clearly is not directed to a process, as it does not recite any action (*see In re Nuijten*, 500 F.3d 1355 (Fed. Cir. 2007)), or a composition of matter, as it does not recite a composition of two or more substances (*see In re Nuijten*, 500 F.3d 1357 (Fed. Cir. 2007)). Claim 17 is also not directed to a machine, as it does not a concrete thing made of plural parts or devices (*see In re Nuijten*, F.3d 1355 (Fed. Cir. 2007)).

Claim 17 also encompasses subject matter which is not a manufacture. The recited “advertisement” is not directed only to an article of manufacture, as not all embodiments within the scope of the claim comprise a tangible article or commodity. *See In re Nuijten*, F.3d 1355 (Fed. Cir. 2007). For example, we note that the Specification states: “Further, ‘visual

presentations' should be given a broad definition to include still images, moving images and animations, models or prototypes or any other means to visually present characteristics or functions of a product." FF 1. Moving images, such as those broadcasted and projected on a TV, are not a tangible article. We note that claim 17 does not require a display mechanism, such as a computer or TV screen. FF 2.

Accordingly, we reject claims 17-20 under 35 U.S.C. § 101 as being drawn to non-statutory subject matter.

DECISION

The Examiner's rejection of claims 1-20 under 35 U.S.C. § 103(a) is reversed. We also reverse the Examiner's rejection of claims 1-13 and 17-20 under 35 U.S.C. § 101, but enter new grounds of rejection of claims 1-20 under 35 U.S.C. § 101.

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b) (effective September 13, 2004, 69 Fed. Reg. 49960 (August 12, 2004), 1286 Off. Gaz. Pat. Office 21 (September 7, 2004)). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that the appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

- (1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected,

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or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner

- (2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record

REVERSED; 37 C.F.R § 41.50(b)

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BUCHANAN, INGERSOLL & ROONEY PC
POST OFFICE BOX 1404
ALEXANDRIA VA 22313-1404